



State of California

Employment Training Panel

Arnold Schwarzenegger, Governor

March 4, 2008

Frank Janku
Controller/CFO
Rantec Power Systems Inc.
1173 Los Olivos Avenue
Los Osos, CA 93402

Dear Mr. Janku:

RE: **FINAL MONITORING REPORT** for Rantec Power Systems Inc. – ET06-0159

Date of Visit	02/20/08
Time of Visit	2:00 p.m.
Location of Visit	Telephone Conference
Persons in Attendance	Steve Souza, Safety/Environmental Specialist, Rantec Naomi Weingart, ETP Contract Analyst
Date of Last Visit	03/16/07
Action Required	No

CONTRACT INFORMATION

Term of Agreement	10/04/05 – 10/03/07	Agreement Amount	\$50,400
Type of Trainee	Retrainee	Number to Retain	60
Training Start Date	10/24/05	Range of Hours	24 - 60
Date Training Must Be Completed	07/05/07	Weighted Avg Hours	42

TRAINING STATUS

Project Statistics Provided by the Contractor

Trainees Started Training	69	Completed Training	49
Trainees Enrolled	61	Completed Retention	49
Dropped Following Enrollment	12	In Retention Period	0
No. Compl Min Reimbursable Hrs	49	Remaining in Training	0

SACRAMENTO CENTRAL OFFICE
1100 J Street, 4th Floor
SACRAMENTO, CA 95814
(916) 327-5640

N. HOLLYWOOD REGIONAL OFFICE
4640 Lankershim Blvd., Suite 311
NORTH HOLLYWOOD, CA 91602
(818) 755-1313

S.F. BAY AREA REGIONAL OFFICE
1065 East Hillsdale Blvd, Suite 415
FOSTER CITY, CA 94404
(650) 655-6930

SAN DIEGO REGIONAL OFFICE
5353 Mission Center Road, Suite 110
SAN DIEGO, CA 92108
(619) 686-1920

www.etp.ca.gov
ETP (04/15/05)

Training Status (continued):

Training started on October 18, 2005 and ended July 5, 2007. The Final ETP Contract Closeout Report shows that 49 trainees complete all performance requirements for a total reimbursement of \$48,938, a 97% completion rate. Since you had previously received \$25,957.25 in funding, final reimbursement should be in the amount of \$22,980.75.

Mr. Souza, project coordinator, attributed such excellent performance to the company's small size and corresponding manageability of the training program. At the outset, the company had a good understanding of what it needed to provide, did not overextend itself, and had solid, continuing management support. Mr. Souza stated that training has helped improve business: Rantec now has close to 100% on-time delivery; has improved planning; has better control over resources and workflow; and is subject to far less scrap and rework. The company also received its AS9100 certification at the end of 2007.

Most training was given in Manufacturing Skills, followed by Business Skills, Continuous Improvement, and finally a negligible amount of Computer Skills. The emphasis was on manufacturing since Rantec now (since the last ETP program) has a certified, in-house trainer who is eligible to purchase controlled training materials and can provide certified, quality training in a wide variety of subjects at far less expense than the company previously incurred using outside vendors.

Mr. Souza reported that he experienced no significant barriers implementing the program except for customary production demands that caused occasional delays. He felt that ETP recordkeeping has gotten easier and that ETP Monitoring was adequate. The only major problem he reported was with the invoicing process, which he felt was very confusing. Mr. Souza indicated that several invoices were processed for \$0.00 and held for six to seven months until the Fiscal Closeout; he believes that some or all of them should have been paid prior to closeout, but could not understand the process, the math, or get a logical explanation from staff.

AUDIT

Rantec Power Systems Inc. will be notified in writing if this Agreement is selected for a field audit (conducted at your worksite) or a desk audit (conducted by telephone). Audit Notification and Confirmation letters will be sent in advance to allow ample preparation time, and will include a list of documentation that the auditor may examine. Original training attendance documentation is required; photocopied records are not acceptable. Listed below are types of records typically requested during an ETP field audit:

- Training attendance records such as rosters and sign-in sheets
- Payroll records of individual trainees to verify wage and hours worked
- Personnel records regarding occupation and dates of employment
- Documentation of employer paid health benefits (if applicable)
- Cash receipts to verify receipt and accounting of ETP funds.

It was your responsibility to ensure that 100% of all training records are in compliance with Panel requirements prior to the closeout of this Agreement (Reference: Title 22 California Code of Regulations, Section 4442).

RECORD RETENTION

Records must be retained within your control and be available for review at your place of business within the State of California. This responsibility will terminate no sooner than four (4) years from the date of the termination of the Agreement or three (3) years from the date of the last payment by ETP to the Contractor, or the date of resolution of appeals, audits, claims, exceptions, or litigation, whichever is later.

Please contact your Monitoring Analyst within ten working days at (818) 755-3633 or nweingart@etp.ca.gov if you have any questions or comments. Thank you for your continuing participation in the ETP training program.

Sincerely,

Signature on File

Dolores Kendrick, Manager
Los Angeles Regional Office

Signature on File

Naomi Weingart, Contract Analyst
Los Angeles Regional Office

Cc: Steve Souza, Safety/Environmental Specialist, Rantec (email)
David Guzman, Chief, ETP Program Operations Division (email)
Amber Luiz, ETP Assistant Director (email)
ETP Master File
ETP Project File

Date report mailed to Contractor 03/07/08